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Spain

Canned Deciduous Fruit

Annual

2002

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Report Highlights:

At this time of the year, when most fruit trees are blooming, there are no data available to estimate any crop, and to estimate the canned deciduous fruit production. Canned peach and pear production is expected to be lower to minimize stocks. Total exports of canned peaches and pears in calendar year 2001 decreased.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Madrid [SP1], SP

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EXECUTIVE SUMMARY

Spanish fruit trees are currently in the blooming phase and there are no official forecasts available for the Marketing Year (MY) 2002/03 (June 2002-May 2003). As a result, Post forecasts are solely based on discussions with industry and are very preliminary. Official Spanish data for MY2001/02 for canned fruit production have also not yet been released so numbers are Post estimates based on industry contacts.

Canned Peaches

MY2001/02 peach crop was 1,030,800 metric tons, about nine percent below the previous year. As a result, it is expected that Spain's canned peach output for MY2001/02 will be lower than the previous season. A further decrease is expected for MY2002/03 to minimize stocks.

Canned peach exports are forecast to decrease slightly in MY2001/02, as competition, especially in EU markets, intensifies. Canned peach imports are minor when compared to exports and are forecasted to remain flat in MY2001/02. Spain's exports of canned peaches to the United States doubled in volume.

Since Spain is a major producer and exporter of canned peaches, U.S. exporters have limited potential in this market.

Canned Pears

The total MY2001/02 pear crop was 678,145 mt, about 14 percent higher than the previous year. However, canned pear production is forecast to be slightly lower than the previous year, the same tendency is expected for 2002/03. Growth in the sector is not considered likely due to high stocks and higher production in other competing countries like Greece. Canned pear exports are expected to be similar to last season.

Spain's canned fruit imports, minor in comparison with production and exports, are forecast to remain flat in 2001/02. Spain's exports of canned pears to the United States also increased dramatically during Calendar Year (CY) 2001.

Since Spain is a major producer and exporter of canned pears, U.S. exporters have limited potential in this market.

Note: Current exchange rate: 1 Euro = \$0.89

CANNED PEACHES

PS&D Table - Canned Peaches

PSD Table						
Country	Spain					
Commodity	Canned Peaches				(MT)(MT, Net Weight)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		06/2000		06/2001		06/2002
Deliv. To Processors	131800	130000	110500	125000	0	123000
Beginning Stocks	22000	22000	17000	20000	5000	13000
Production	146700	143000	122000	137500	0	135000
Imports	6000	3800	3500	2700	0	3000
TOTAL SUPPLY	174700	168800	142500	160200	5000	151000
Exports	55000	61200	50000	59000	0	54000
Domestic Consumption	102700	87600	87500	88200	0	88000
Ending Stocks	17000	20000	5000	13000	0	9000
TOTAL DISTRIBUTION	174700	168800	142500	160200	0	151000

Production

Spain's MY2002/03 canned peach production is forecasted at 135,000 metric tons (mt), which will require an input of about 123,000 mt of fresh clingstone peaches. This level of production, a two percent decrease from the previous season's output, reflects the canning industry's high beginning stocks.

Consumption

There are no distinguishing trends in Spain's canned fruit consumption, other than year-to-year fluctuations reflecting changes in supply. Underlying demand remains stable, and consumption is forecast to remain fairly stable in MY2002/03. Canned peaches are mainly consumed in the food service sector and during the winter when there are fewer fresh fruit options in the market.

Trade

Spanish canned peach exports in MY2002/03 are expected to be lower than a year earlier, due to the high production in Greece, where canned peach production costs are lower. Imports will continue to be a minor factor in the market. Based on available partial data for MY2001/02 (Jun-Dec 2001), Spanish peach exports during MY 2001/02 are expected to reach 59,000 tons, a decrease of four percent. Exports have declined dramatically since 1997/98, when they reached a record level of 91,540 tons. Since then, output in other producing countries in the EU have recovered, particularly in Greece, which is said to be highly competitive. This competition is critical for Spanish exporters, since the EU represents about three-fourths of their export market. Exports to the United States in calendar year 2001, reached 7,290 tons, a dramatic increase from 3,323 during the previous year.

Spanish Exports - Canned Peaches

Export Trade Matrix			
Country	Spain		
Commodity	Canned Peaches		
Time period	CY	Units:	Metric tons
Exports for:	2000		2001
U.S.	3,323	U.S.	7,290
Others:		Others:	
Germany	11,416	France	10,386
France	11,232	Mexico	9,079
United Kingdom	11,049	Portugal	9,029
Mexico	8,621	Germany	7,439
Portugal	8,545	United Kingdom	6,447
Belgium	1,782	Netherlands	1,654
Netherlands	1,452	Belgium	1,445
South Korea	914	South Korea	1,368
Total for Others	55,011		46,847
Others not Listed	10,031		10,907
Grand Total	68,365		65,044

Spanish Imports - Canned Peaches

Import Trade Matrix			
Country	Spain		
Commodity	Canned Peaches		
Time period	CY	Units:	Metric Tons
Imports for:	2000		2001
U.S.	0	U.S.	
Others		Others	
Germany	1,337	Greece	930
France	802	France	726
Italy	602	Germany	439
South Africa	600	South Africa	391
Greece	407	Portugal	237
Portugal	176	Italy	176
		Belgium	29
		Egypt	9
		Ireland	5
Total for Others	3,924		2,942
Others not Listed	126		8
Grand Total	4,050		2,950

Stocks

Trade sources indicate that stocks in marketing year 2002/03, of both canned peaches and pears should be around ten percent of the production.

Policy

On March 2, 2001, the EU Commission published a regulation which provided detailed rules for applying Council Regulation 2201/96 as regards the aid scheme for products processed from fruits and vegetables. In an important departure from past practice, the new rules discontinued the system of the minimum prices paid to farmers for fresh fruit delivered to the canning industry. As a consequence, prices will be more flexible and responsive to supply and demand. The EU also set Spain's processing thresholds for peaches at 180,794 tons.

On June 5, 2001, EU Regulation 1097/2001 set the 2001/02 price support "aid" paid to Spanish growers who sold peaches and pears to canners. This aid, established under Regulation EU 2201/96, amounted to 47.70 Euro/ ton for peaches, and 160.86 EURO/ton for pears. Processors now receive the aid directly. In previous years, the aid was given to processors who were in turn supposed to pay it to growers.

The elimination of the minimum price has made a substantial change in the industry's cost structure. During the 2001/02 campaign canners were paying farmers 30 to 35 pesetas/kg for peaches, compared to the minimum price of 47 pesetas/kg during the previous campaign. This drop in price, coupled with the reduction in fruit purchases by canners, will cut farmers' revenues by about a third.

The following table shows the minimum price and EU aid paid to growers for peaches delivered to the canning industry for the past several years. Amounts in peseta/kg are shown in parenthesis.

	Minimum Price	EU Aid
	(EURO/100 Kg)	
2001/2002	Abolished	4.77 (7.9 Pesetas/Kg)
2000/2001	28.37 (47 Pesetas/Kg)	4.13 (6.8 Pesetas/Kg)
1999/2000	28.37 (47 Pesetas/Kg)	6.10 (10.1 Pesetas/Kg)
1998/1999	30.77 (51 Pesetas/Kg)	6.05 (10 Pesetas/Kg)
1997/1998	26.75 (44.5 Pesetas/Kg)	8.13 (13.5 Pesetas/Kg)
1996/1997	27.30 (45 Pesetas/Kg)	8.66 (11 Pesetas/Kg)

1 Euro = 166.38 pesetas

Marketing

As Spain is a major producer and exporter of canned fruits, U.S. exporters have limited potential in this market.

CANNED PEARS

PS&D Table - Canned Pears

PSD Table						
Country	Spain					
Commodity	Canned Pears				(MT)(MT, Net Weight)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		06/2000		06/2001		06/2002
Deliv. To Processors	26856	26300	23000	24000	0	24000
Beginning Stocks	900	900	1000	3000	2500	2600
Production	28483	28500	25000	26000	0	26000
Imports	800	400	500	350	0	500
TOTAL SUPPLY	30183	29800	26500	29350	2500	29100
Exports	5000	13100	12500	14000	0	13000
Domestic Consumption	24183	13700	11500	12750	0	13500
Ending Stocks	1000	3000	2500	2600	0	2600
TOTAL DISTRIBUTION	30183	29800	26500	29350	0	29100

Production

Canned pear production in 2002/03 is estimated at 26,000 tons, the same as the previous year. An estimated 24,000 tons of Williams and Rocha pears will be delivered to the industry.

Consumption

There are no distinguishing trends in Spain's canned fruit consumption, other than year-to-year fluctuations reflecting changes in supply. Underlying demand remains stable, and consumption is forecast to remain fairly stable in 2002/03.

Trade

Spanish exports of canned pears during MY 2001/02 are expected to reach 14,000 tons, a seven percent increase from a year earlier. Prospects for MY 2002/03 should continue at the same level. The EU is by far the main customer, accounting for about 85 percent of total exports. Canned exports to the United States have also increased to 1,842 metric tons, from 220 tons a year earlier.

Supplied almost exclusively by other EU countries and South Africa, Spain's total canned pear imports are insignificant, reaching only 350 tons during the 2001/2002 marketing year.

Spanish Exports - Canned Pears

Export Trade Matrix			
Country	Spain		
Commodity	Canned Pears		
Time period	CY	Units:	Metric Tons
Exports for:	2000		2001
U.S.	220	U.S.	1,842
Others		Others	
Germany	5,176	Germany	3,780
France	4,857	France	3,142
United Kingdom	1,638	United Kingdom	1,260
Netherlands	788	Netherlands	723
Belgium	472	Denmark	441
Portugal	399	Italy	430
Austria	222	Belgium	402
Total for Others	13,552		10,178
Others not Listed	2,559		3,510
Grand Total	16,331		15,530

Spanish Imports - Canned Pears

Import Trade Matrix			
Country	Spain		
Commodity	Canned Pears		
Time period	CY	Units:	Metric tons
Imports for:	2000		2001
U.S.		U.S.	
Others		Others	
Germany	315	Germany	72
South Africa	46	France	66
France	42	South Africa	48
Netherlands	29	Greece	42
		Italy	30
Total for Others	432		258
Others not Listed	7		2
Grand Total	439		260

Stocks

Trade sources indicate that stocks of both canned pears should be around 10 percent of the production.

Policy

On March 2, 2001, the EU Commission published a regulation which provided detailed rules for applying Council Regulation 2201/96 as regards the aid scheme for products processed from fruits and vegetables. In an important departure from past practice, the new rules discontinued the system of the minimum prices paid to farmers for fresh fruit delivered to the canning industry. As a consequence, prices will be more flexible and responsive to supply and demand. The EU also set Spain's processing thresholds for pears at 35,199 tons.

On June 5, 2001, EU Regulation 1097/2001 set the 2001/02 price support "aid" paid to Spanish growers who sold peaches and pears to canners. This aid, established under Regulation EU 2201/96, amounted to 160.86 EURO/ton for pears. Processors now receive the aid directly. In previous years, the aid was given to processors who were in turn supposed to pay it to growers.

1 Euro = 166.38 pesetas

Marketing

As Spain is a major producer and exporter of canned fruits, U.S. exporters have limited potential in this market.